# Health Care Financing Program Statistics

## Medicare: Use of Home Health Services, 1976



Published by Health Care Financing Administration

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***Medicare Program Statistics*** are published periodically by the Health Care Financing Administration's Office of Research, Demonstrations, and Statistics.

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The mission of the Health Care Financing Administration is to promote the timely delivery of appropriate, quality health care to its beneficiaries—approximately 45 million aged, disabled, and poor Americans. HCFA is committed to making beneficiaries aware of the services for which they are eligible, promoting the accessibility of those services and ensuring that HCFA policies and actions promote efficiency and quality within the total health care delivery system.

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# Medicare—Use of Home Health Services: 1976

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# Introduction

## Purpose

This report presents 1976 data on the use of home health agency services by aged and disabled recipients of Medicare benefits. Time trends are presented for selected measures to highlight significant changes which have occurred in home health care use during the 1969-1976 period.

## Program Background

The Medicare Program was enacted on July 30, 1965, as Title XVIII of the Social Security Act, and it became effective on July 1, 1966. The program offers two separate but coordinated insurance coverages—Hospital Insurance (HI), also referred to as Part A, and Supplementary Medical Insurance (SMI), referred to as Part B—both of which provide reimbursement for Home Health Agency (HHA) services. Home health visits within a calendar year, and no prior stay structure so that needed health care services could be provided at an appropriate level. This was intended to reduce unnecessary use of more costly inpatient hospital and/or skilled nursing facility services.

To qualify for reimbursement for HHA services, a beneficiary must be under the care of a physician, confined to a home, and in need of intermittent skilled nursing care or physical or speech therapy. In addition to skilled nursing and physical and speech therapy, reimbursable services include occupational therapy, medical social services, and home health aide services, as well as medical supplies other than drugs or biologicals and medical appliances. A physician is required to determine the need for home health services and to establish a patient care plan for services. The HHA providing services must be certified for participation in Medicare.

Coverage under the HI part of the program provides for reimbursement of the reasonable cost of up to 100 home health visits during a benefit period.[1] These visits must occur in the year following a beneficiary's most recent discharge from a hospital stay of at least three consecutive days. A plan of treatment must be established by the patient's physician within 14 days of discharge from the hospital or skilled nursing facility, and the services must be necessary for further treatment of the condition for which the patient received hospital or skilled nursing facility services.

Coverage under SMI places a limit of 100 home health visits within a calendar year and no prior stay in a hospital or a skilled nursing facility is required; otherwise, the requirements for coverage are the same as those under HI. Also, SMI may be used to cover home health visits required after benefits under HI have been exhausted.

The Social Security Amendments of 1972[2] provided incentives to increase the use of home health services and to reduce the use of inpatient hospital and skilled nursing facility services. The Amendments also included provisions to reduce administrative problems relative to the determination of coverage and payment for HHA services. The key elements of the 1972 Amendments affecting the use of HHA services and the amounts reimbursed for them were:

- Elimination of the 20 percent coinsurance for SMI coverage of home health services furnished on or after January 1, 1973;
- Authorization for the Secretary of HEW to establish, by diagnosis, periods of coverage for home health care under the hospital insurance part of Medicare for individuals with specified conditions;
- Allowance of payments for services that neither the home health agency nor the beneficiary knew or could reasonably have been expected to know were not covered;
- Extension of Medicare coverage (including HHA services) to persons receiving social security benefits based on disability or end-stage renal disease (This coverage began in July 1973.)

These provisions resulted in an increase in the use of HHA services and the amounts reimbursed by Medicare for them.

## Major Findings

The following items present the major findings of this report.

*Reimbursement Trends, 1969-1976*

In 1969, Medicare reimbursement for home health services was $78 million and constituted 1.2 percent of all Medicare reimbursements.

Policy guidelines issued in 1969 defined more precisely the circumstances under which home health services would be covered; their effect was to reduce the amounts reimbursed for home health services. A low point was reached in 1971 when reimbursements for home health services constituted only about three-fourths of one percent of all Medicare reimbursements.

The Social Security Amendments of 1972 simplified administrative problems relating to payment for home health services, removed the coinsurance provisions, and extended Medicare coverage to disabled persons and to persons with end-stage renal disease. The result was an acceleration in the use of home health services to the point that, by 1976, reimbursements were $290 million, or 1.6 percent of all Medicare reimbursements.

*Utilization and Charges, 1974-76*

Fifty percent more people received home health visits in 1976 than in 1974; visits increased by 65 percent and, on the average, persons served in 1976 received 10 percent more visits than persons served in 1974.

Between 1974 and 1976, total charges for home health services increased 112 percent, and the average charges incurred by persons using HHA services increased from $376 to $531 a year.

Because HHA payments increased at a greater rate than total Medicare payments, they increased from 1.2 percent of total Medicare payments in 1974 to 1.6 percent in 1976.

*Utilization and Charges by Demographic Characteristics, 1976*

An estimated 589,000 persons received reimbursable HHA services in 1976, a rate of 22.9 persons served per 1,000 enrolled; they incurred total charges

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[1] A benefit period begins with the first day a patient receives inpatient hospital or skilled nursing services and ends after 60 consecutive days in which the patient was an inpatient of neither a hospital nor a skilled nursing facility. There is no limit to the number of benefit periods to which a patient is entitled.

[2] Title XVIII of the Social Security Act as amended by P.L. 92-603, October 30, 1972.

of $312.3 million, an average of $531 per person served.

Medicare reimbursement amounted to $289.9 million, an average of $492 per person served.

Ninety-three percent of the total charges recorded were reimbursed.[3]

Sixty-two percent of the persons served received services under HI only, 27 percent received services under SMI only, and the remaining 11 percent received services under both programs.

Fifty-seven percent of the persons served were age 75 and over; 64 percent were female; 90 percent were white; 93 percent had a Medicare status of aged, and the remainder had a status of disabled or end-stage renal disease only.

Regionally, the number of persons served per 1,000 enrollees ranged from 32.2 in the Northwest to 17.4 in the North Central States; the average number of visits per person served was 26.3 in the South as compared to 21 in the other regions; charges per person served in the South averaged $605, as compared to less than $500 in the other regions.

By State, the number of persons served per 1,000 enrolled ranged from 62.4 in Vermont to 4.5 in North Dakota; the average number of visits per person served exceeded 38 in Mississippi, Louisiana, and Nevada in contrast to 13.3 per person in Arkansas; charges per person served in Louisiana and Mississippi averaged $992, as compared to $155 in South Dakota.

*Number and Types of Services*

Over 13.3 million visits were provided, a mean of 22.7 and a median of 11.6 visits for each person served; 75 percent of the persons served received 27.5 or fewer visits; 90 percent of the persons served received 56.0 or fewer visits.

Fifty-nine percent of the visits were for nursing services, 28 percent for home health aide services, and 10 percent for physical therapy services.

*Types and Distribution of Home Health Agencies, 1976*

Between 1975 and 1976, use of private non-profit agencies increased by over 100 percent for number of persons served and visit charges and by 98.4 percent for number of visits.

Visiting nurse associations provided 4.9 million visits to 245,000 Medicare recipients.

Proprietary and private non-profit agencies provided 30 percent of total visits to 22 percent of all persons served, accounting for 35 percent of total charges.

Visiting nurse associations comprise two-thirds of all HHAs in New England; 78 percent of all HHAs in the East South Central States are administered by State and local governments; 64 percent of all private nonprofit agencies are in the South.

### Organization of Report

The remainder of this report is organized into three chapters followed by three appendices. Chapter II presents data on the patterns of utilization, charges, and reimbursements for home health services used by Medicare beneficiaries. Reimbursement trends since 1969 are analyzed. Chapter III describes the types of home health agencies which qualify for Medicare reimbursement and analyzes the distribution of services by type of agencies and geographic location. Chapter IV presents conclusions derived from preceding analyses. The concluding chapter summarizes the rapid growth between 1974 and 1976 in the volume of HHA services furnished to Medicare beneficiaries. The decrease in the proportion of nursing visits and the increase of home health aide services among the services furnished are also examined.

## Utilization Statistics

This Chapter presents data regarding trends in reimbursement patterns, the number of persons served and services provided, patient distribution, patients' demographic characteristics, categories of services provided, and type of Medicare coverage utilized.

### Reimbursement Trends, 1969-1976

Table 1 shows that, although *total* Medicare reimbursements increased each year from 1969-1974, the number of home health visits and the amounts reimbursed for such services decreased in 1970 and 1971. A low point was reached in 1971 when reimbursements for home health services represented only three-fourths of one percent of total Medicare payments. This decrease resulted from new Social Security Administration policy guidelines which more precisely defined what conditions were reimbursable.

Reimbursements for home health services increased significantly during 1972 and each subsequent year. This increased use was stimulated by the 1972 Amendments which expanded payments and coverage of home health care and extended coverage to the disabled and those who suffer from end-stage renal disease. By 1974, home health service Medicare reimbursements had returned to thier 1969 levels.

Wage and price controls were instituted in 1971 under the Economic Stabilization Programs and remained in effect for the health care industry until April 1974. These controls may have influenced HHA reimbursement and, therefore, use during this period, but this cannot be determined from the data.

Between 1975 and 1976, reimbursements for home health services increased over 34 percent, as compared with an overall increase of 20 percent in total Medicare reimbursement during the same period. In 1976, HHA payments continued to increase at a greater rate than total Medicare payments, amounting to 1.6 percent of total Medicare payments.

### Persons Served, Services, and Charges, 1976

Table 2 shows that, during 1976, approximately 589,000 persons (22.9 per 1,000 enrolled) received home health services which were covered by Medicare. This is a 50 percent increase over the 393,000 persons who received services in 1974 (16.5 per 1,000 enrolled).

The total number of HHA visits provided increased 65 percent from 8.1 million in 1974 to 13.3 million in 1976. Total charges amounted to $312 million in 1976,

[3] Reimbursement is calculated on a cost basis that is agreed upon by the home health agency and intermediary. The intermediary determines the appropriate percentage of charges to be paid, not to exceed 100 percent.

an increase of 112 percent over the charges recorded for 1974. On the averages, persons served in 1976 received 10 percent more visits and were charged 41 percent more than in 1974. Total charges shown include those for the durable medical equipment and supplies, excluding drugs and biologicals, furnished by home health agencies in addition to the charges for medical personnel on a per-visit basis.

Use of HHA services increased in all geographic regions, but the greatest increase occurred in the South where the number of persons served increased by 68 percent, and the number of visits and charges increased 87 percent and 144 percent, respectively, over the three-year period. During 1976, over one-third of the persons served resided in the Northeast. However, beneficiaries in the South received the greatest number of visits and had the largest number of visits and highest charges per person served. On an individual basis, much greater use was recorded for beneficiaries residing in areas outside the United States, but they accounted for less than 2 percent of all visits and charges.

**Table 1**
**Medicare Reimbursement, Reimbursement for Home Health Services, and Number of Home Health Visits Under Medicare, Calendar Years 1969-76**

**(In millions)**

| Year | Total Medicare Reimbursement | | Home Health Agency Reimbursement | | | Home Health Visits | |
|---|---|---|---|---|---|---|---|
| | Amount | Percent Change | Amount | Percent Change | As Percent of Total Medicare Reimbursement | Number | Percent Change |
| 1969 | $ 6,276 | --- | $ 78 | --- | 1.24 | 8.5 | --- |
| 1970 | 6,748 | 7.5 | 62 | −21.2 | .91 | 6.0 | −29.9 |
| 1971 | 7,459 | 10.5 | 57 | − 7.7 | .76 | 4.8 | −20.5 |
| 1972 | 8,174 | 9.6 | 66 | 16.1 | .81 | 5.2 | 9.2 |
| 1973 | 9,562 | 17.0 | 93 | 40.8 | .97 | 6.4 | 22.3 |
| 1974 | 11,847 | 23.9 | 144 | 54.7 | 1.21 | 8.2 | 28.7 |
| 1975 | 14,652 | 23.7 | 216 | 50.1 | 1.47 | 10.8 | 32.0 |
| 1976 | 17,637 | 20.4 | 290 | 34.3 | 1.64 | 13.3 | 23.1 |

Source: Health Care Financing Administration, unpublished utilization statistics. Amounts are for year in which expenses were incurred, based on bills processed through December 1977. Thus, data for most recent years are less complete than data for earlier years.

**Table 2**
**Number of Persons Served, Number of Visits, and Amount of Charges, by Region, 1974-76**
**(Numbers and Amounts in thousands)**

| Geographic Area and Year | | Persons Served | | Visits | | Visit Charges | | Total Charges [1] | |
|---|---|---|---|---|---|---|---|---|---|
| | | Number | Per 1,000 Enrollees | Number | Per Person Served | Amount | Per Visit | Amount | Per Person Served |
| Total, All Areas | 1974 | 392.7 | 16.5 | 8,070 | 20.6 | $137,406 | $17 | $147,499 | $376 |
| | 1975 | 499.6 | 20.2 | 10,805 | 21.6 | 211,994 | 20 | 227,001 | 454 |
| | 1976 | 588.7 | 22.9 | 13,335 | 22.7 | 292,697 | 22 | 312,325 | 531 |
| Northeast | 1974 | 143.8 | 24.4 | 2,899 | 20.2 | 47,166 | 16 | 50,376 | 350 |
| | 1975 | 175.9 | 29.2 | 3,655 | 20.8 | 67,848 | 19 | 71,259 | 405 |
| | 1976 | 198.1 | 32.2 | 4,201 | 21.2 | 85,617 | 20 | 89,853 | 454 |
| North Central | 1974 | 82.8 | 12.7 | 1,527 | 18.4 | 25,082 | 16 | 25,486 | 308 |
| | 1975 | 101.5 | 15.2 | 1,958 | 19.3 | 36,012 | 18 | 37,315 | 368 |
| | 1976 | 118.6 | 17.4 | 2,446 | 20.6 | 52,498 | 21 | 54,195 | 457 |
| South | 1974 | 102.3 | 13.6 | 2,417 | 23.6 | 42,332 | 18 | 47,274 | 462 |
| | 1975 | 139.0 | 17.7 | 3,519 | 25.3 | 72,831 | 21 | 81,060 | 583 |
| | 1976 | 171.7 | 21.2 | 4,519 | 26.3 | 104,877 | 23 | 115,434 | 672 |
| West | 1974 | 60.2 | 15.9 | 1,087 | 18.1 | 20,199 | 19 | 21,425 | 356 |
| | 1975 | 78.4 | 19.9 | 1,495 | 19.1 | 31,523 | 21 | 32,908 | 420 |
| | 1976 | 93.1 | 22.8 | 1,916 | 20.6 | 44,756 | 23 | 46,732 | 502 |
| Other Areas [2] | 1974 | 3.7 | 14.4 | 140 | 38.3 | 2,627 | 19 | 2,938 | 803 |
| | 1975 | 4.9 | 18.1 | 177 | 36.0 | 3,732 | 21 | 4,459 | 905 |
| | 1976 | 7.3 | 14.9 | 252 | 34.7 | 4,948 | 20 | 6,111 | 842 |

[1] Includes charges for durable medical equipment and supplies in addition to visit charges.
[2] Includes Puerto Rico, Virgin Islands, Guam, other outlying areas, and residence unknown.

**Distribution of Persons Served, 1976**

Table 3 indicates that, nationally, during 1976, 22.9 of every 1,000 Medicare enrollees received home health benefits, with the ratio ranging from 40.5 per 1,000 in New England to 15.2 per 1,000 in the West North Central States. Beneficiaries in the West South Central States received more visits per person served (29.7) and had the highest average charge per person served ($794), both considerably above the national average.

Among the individual States, the number of persons served per 1,000 enrollees ranged from 62.4 in Vermont to 4.5 in North Dakota. Beneficiaries receiving HHA services in Louisiana and Mississippi averaged over 38 visits and were charged $992. Beneficiaries residing in Nevada who used HHA services also received an average of 38 visits, but were charged considerably less on the average, $665. Arkansas showed only 13.3 HHA visits per person served, while in South Dakota, average charges incurred per user were only $155.

Table 4 shows the distribution of persons receiving home health services by number of visits and type of coverage under Medicare in 1976. Approximately 18,700 persons, 3 percent of those served, received 100 or more visits in 1976. Forty-two percent received 10 or fewer visits while 12 percent received 50 visits or more.

**Table 3**
**Number of Persons Served, Number of Visits, and Amount of Charges, by Geographic Area, 1976**
**(Numbers and Amounts in thousands)**

| Geographic Area | Persons Served | | Visits | | Visit Charges | | Total Charges | | Total Reimbursement | |
|---|---|---|---|---|---|---|---|---|---|---|
| | No. | Per 1,000 Beneficiaries | No. | Per Person Served | Amount | Per Visit | Amount | Per Person Served | Amount | Per Person Served |
| Total, all areas | 588.7 | 22.9 | 13,335 | 22.7 | $292,697 | $22 | $312,325 | $531 | $289,851 | $492 |
| United States | 581.4 | 23.1 | 13,083 | 22.5 | 287,749 | 22 | 306,214 | 527 | 283,952 | 488 |
| Northeast | 198.1 | 32.2 | 4,201 | 21.2 | 85,617 | 20 | 89,853 | 454 | 84,938 | 429 |
| North Central | 118.6 | 17.4 | 2,446 | 20.6 | 52,498 | 21 | 54,195 | 457 | 50,579 | 427 |
| South | 171.7 | 21.2 | 4,519 | 26.3 | 104,877 | 23 | 115,434 | 672 | 103,794 | 605 |
| West | 93.1 | 22.8 | 1,916 | 20.6 | 44,756 | 23 | 46,732 | 502 | 44,640 | 479 |
| Northeast | | | | | | | | | | |
| New England | 61.4 | 40.5 | 1,389 | 22.6 | 22,909 | 16 | 23,371 | 381 | 22,455 | 366 |
| Middle Atlantic | 136.7 | 29.5 | 2,812 | 20.6 | 62,709 | 22 | 66,482 | 486 | 62,483 | 457 |
| North Central | | | | | | | | | | |
| East North Central | 84.6 | 18.5 | 1,638 | 19.4 | 37,433 | 23 | 38,348 | 453 | 36,46 | 431 |
| West North Central | 34.0 | 15.2 | 808 | 23.8 | 15,066 | 19 | 15,846 | 467 | 14,116 | 416 |
| South | | | | | | | | | | |
| South Atlantic | 93.8 | 23.2 | 2,300 | 24.5 | 55,291 | 24 | 58,247 | 621 | 54,729 | 583 |
| East South Central | 37.8 | 22.5 | 1,031 | 27.3 | 22,625 | 22 | 25,892 | 671 | 22,050 | 583 |
| West South Central | 40.0 | 16.8 | 1,188 | 29.7 | 26,961 | 23 | 31,795 | 794 | 27,015 | 675 |
| West | | | | | | | | | | |
| Mountain | 20.9 | 21.6 | 482 | 23.1 | 8,613 | 18 | 9,187 | 440 | 8,619 | 413 |
| Pacific | 72.2 | 23.2 | 1,434 | 19.9 | 36,143 | 25 | 37,545 | 520 | 36,021 | 499 |
| New England | | | | | | | | | | |
| Maine | 5.9 | 40.4 | 123 | 20.9 | 2,263 | 18 | 2,303 | 391 | 2,205 | 375 |
| New Hampshire | 4.3 | 42.7 | 90 | 20.8 | 1,066 | 12 | 1,070 | 248 | 1,026 | 238 |
| Vermont | 3.7 | 62.4 | 90 | 24.3 | 1,304 | 14 | 1,311 | 352 | 1,268 | 340 |
| Massachusetts | 28.0 | 38.5 | 641 | 22.9 | 10,511 | 16 | 10,763 | 384 | 10,289 | 367 |
| Rhode Island | 5.2 | 41.1 | 114 | 21.9 | 1,978 | 17 | 2,040 | 391 | 2,028 | 389 |
| Connecticut | 14.2 | 40.1 | 331 | 23.3 | 5,786 | 17 | 5,885 | 414 | 5,638 | 397 |
| Middle Atlantic | | | | | | | | | | |
| New York | 52.3 | 23.3 | 1,063 | 20.3 | 27,684 | 26 | 29,680 | 568 | 27,438 | 525 |
| New Jersey | 26.8 | 31.4 | 657 | 24.5 | 13,284 | 20 | 13,822 | 515 | 13,662 | 509 |
| Pennsylvania | 57.6 | 37.5 | 1,092 | 19.0 | 21,741 | 20 | 22,981 | 399 | 21,384 | 371 |
| East North Central | | | | | | | | | | |
| Ohio | 27.2 | 22.7 | 507 | 18.6 | 10,534 | 21 | 10,813 | 397 | 10,311 | 378 |
| Indiana | 5.7 | 9.6 | 110 | 19.2 | 1,788 | 16 | 1,931 | 339 | 1,841 | 323 |
| Illinois | 22.1 | 17.4 | 526 | 23.8 | 14,060 | 27 | 14,320 | 648 | 13,434 | 608 |
| Michigan | 17.7 | 18.8 | 259 | 14.7 | 6,846 | 26 | 6,907 | 391 | 6,659 | 377 |
| Wisconsin | 11.9 | 21.0 | 235 | 19.8 | 4,205 | 18 | 4,377 | 367 | 4,218 | 354 |

**Table 3—Continued**
**Number of Persons Served, Number of Visits, and Amount of Charges, by Geographic Area, 1976**
**(Numbers and Amounts in thousands)**

| Geographic Area | Persons Served | | Visits | | Visit Charges | | Total Charges | | Total Reimbursement | |
|---|---|---|---|---|---|---|---|---|---|---|
| | No. | Per 1,000 Beneficiaries | No. | Per Person Served | Amount | Per Visit | Amount | Per Person Served | Amount | Per Person Served |
| West North Central | | | | | | | | | | |
| Minnesota | 5.9 | 12.3 | 136 | 23.3 | 2,494 | 18 | 2,595 | 442 | 2,542 | 433 |
| Iowa | 3.8 | 9.5 | 81 | 21.6 | 915 | 11 | 937 | 249 | 904 | 240 |
| Missouri | 17.5 | 26.4 | 462 | 26.3 | 9,616 | 21 | 10,166 | 579 | 8,678 | 495 |
| North Dakota | .4 | 4.5 | 7 | 19.9 | 81 | 11 | 92 | 253 | 87 | 237 |
| South Dakota | .6 | 6.6 | 12 | 18.9 | 92 | 8 | 96 | 155 | 90 | 146 |
| Nebraska | 3.0 | 14.2 | 55 | 18.4 | 968 | 18 | 1,035 | 350 | 1,006 | 340 |
| Kansas | 2.8 | 9.2 | 55 | 19.4 | 900 | 16 | 924 | 327 | 809 | 286 |
| South Atlantic | | | | | | | | | | |
| Delaware | 1.9 | 32.2 | 46 | 24.9 | 666 | 14 | 681 | 365 | 642 | 344 |
| Maryland | 9.4 | 25.1 | 177 | 18.9 | 4,048 | 23 | 4,118 | 438 | 4,000 | 425 |
| District of Columbia | 2.5 | 32.6 | 52 | 20.9 | 1,428 | 27 | 1,441 | 576 | 1,268 | 507 |
| Virginia | 5.7 | 11.6 | 120 | 21.1 | 2,654 | 22 | 2,669 | 469 | 2,608 | 458 |
| West Virginia | 4.1 | 15.8 | 79 | 19.4 | 1,553 | 20 | 1,691 | 415 | 1,498 | 367 |
| North Carolina | 10.6 | 18.2 | 256 | 24.1 | 4,860 | 19 | 5,188 | 488 | 5,030 | 474 |
| South Carolina | 6.9 | 24.7 | 107 | 15.5 | 2,387 | 22 | 2,835 | 410 | 2,676 | 387 |
| Georgia | 5.7 | 11.2 | 100 | 17.5 | 2,430 | 24 | 2,656 | 467 | 2,473 | 435 |
| Florida | 47.1 | 33.2 | 1,362 | 28.9 | 35,264 | 26 | 36,968 | 786 | 34,536 | 734 |
| East South Central | | | | | | | | | | |
| Kentucky | 7.3 | 17.0 | 135 | 18.5 | 2,925 | 22 | 3,289 | 451 | 3,096 | 425 |
| Tennessee | 11.1 | 21.5 | 265 | 23.9 | 5,242 | 20 | 5,977 | 539 | 5,393 | 487 |
| Alabama | 10.0 | 22.7 | 265 | 26.6 | 6,263 | 24 | 6,708 | 673 | 6,158 | 618 |
| Mississippi | 9.5 | 31.9 | 367 | 38.6 | 8,195 | 22 | 9,419 | 992 | 7,404 | 780 |
| West South Central | | | | | | | | | | |
| Arkansas | 2.2 | 7.0 | 29 | 13.3 | 686 | 24 | 734 | 335 | 701 | 320 |
| Louisiana | 10.5 | 26.0 | 403 | 38.4 | 9,254 | 23 | 10,405 | 992 | 8,111 | 773 |
| Oklahoma | 2.8 | 7.5 | 39 | 13.7 | 912 | 24 | 947 | 338 | 827 | 295 |
| Texas | 24.5 | 19.0 | 718 | 29.3 | 16,109 | 22 | 19,708 | 803 | 17,377 | 708 |
| Mountain | | | | | | | | | | |
| Montana | 1.4 | 16.0 | 34 | 24.9 | 475 | 14 | 483 | 357 | 434 | 318 |
| Idaho | 2.4 | 26.4 | 59 | 24.9 | 923 | 16 | 1,083 | 454 | 1,062 | 446 |
| Wyoming | .7 | 18.7 | 20 | 28.3 | 373 | 19 | 381 | 546 | 311 | 446 |
| Colorado | 6.1 | 25.8 | 114 | 18.7 | 2,523 | 22 | 2,545 | 416 | 2,413 | 395 |
| New Mexico | 3.3 | 30.6 | 98 | 29.6 | 1,409 | 14 | 1,462 | 442 | 1,398 | 423 |
| Arizona | 4.9 | 19.4 | 100 | 20.2 | 2,055 | 21 | 2,312 | 469 | 2,125 | 431 |
| Utah | 1.4 | 13.8 | 30 | 21.6 | 403 | 13 | 453 | 323 | 437 | 311 |
| Nevada | .7 | 13.1 | 27 | 38.4 | 452 | 17 | 462 | 665 | 439 | 632 |
| Pacific | | | | | | | | | | |
| Washington | 8.9 | 21.7 | 148 | 16.6 | 3,601 | 24 | 3,733 | 419 | 3,487 | 391 |
| Oregon | 6.2 | 21.3 | 117 | 18.7 | 3,001 | 26 | 3,253 | 522 | 3,108 | 499 |
| California | 55.5 | 23.8 | 1,146 | 20.7 | 29,078 | 25 | 30,002 | 540 | 28,921 | 521 |
| Alaska | .1 | 9.0 | 1 | 10.0 | 26 | 29 | 26 | 296 | 25 | 287 |
| Hawaii | 1.5 | 22.0 | 22 | 15.1 | 437 | 20 | 531 | 364 | 481 | 330 |
| Other areas[1] | 7.3 | 14.9 | 252 | 34.7 | 4,948 | 20 | 6,111 | 842 | 5,899 | 813 |

[1] Includes Puerto Rico, Virgin Islands, Guam, other outlying areas and residence unknown.

**Table 4**
**Number and Percentage Distribution of Persons, Number of Visits, and Type of Coverage, 1976**
**(In thousands)**

| Number of Visits | Total | | Hospital Insurance Only | | Supplementary Medical Insurance Only | | Hospital and Medical Insurance | |
|---|---|---|---|---|---|---|---|---|
| | Persons Served | Percent | Persons Served | Percent | Persons Served | Percent | Percent Served | Percent |
| Total | 588.7 | 100.0 | 367.2 | 100.0 | 157.8 | 100.0 | 63.7 | 100.0 |
| 1-4 | 133.3 | 22.6 | 85.8 | 23.4 | 46.3 | 29.3 | 1.2 | 1.9 |
| 5-9 | 116.4 | 19.8 | 80.1 | 21.8 | 31.8 | 20.2 | 4.6 | 7.2 |
| 10-19 | 131.3 | 22.3 | 85.2 | 23.2 | 34.6 | 21.9 | 11.5 | 18.1 |
| 20-29 | 68.2 | 11.6 | 43.0 | 11.7 | 16.4 | 10.4 | 8.8 | 13.8 |
| 30-39 | 39.3 | 6.7 | 24.9 | 6.8 | 8.3 | 5.3 | 6.2 | 9.7 |
| 40-49 | 26.9 | 4.6 | 16.0 | 4.4 | 5.7 | 3.6 | 5.2 | 8.2 |
| 50-99 | 54.4 | 9.2 | 29.3 | 8.0 | 12.0 | 7.6 | 13.1 | 20.6 |
| 100 or more | 18.7 | 3.2 | 2.9 | .8 | 2.6 | 1.6 | 13.2 | 20.8 |

### Variations in Use by Demographic Characteristics, 1976

Table 5 shows differences in the use of HHA services by demographic characteristics. Medicare enrollees age 75 and over comprised 36 percent of all enrollees, but constituted 57 percent of the persons served and HHA services used. Females used a greater proportion of HHA services than males; 375,000, two-thirds of the 589,000 persons served in 1976, were female, although only about 57 percent of the enrolled Medicare population in 1976 was female. The use of HHA services by women beyond their proportion of the enrollment may reflect the effect of age, since women have a higher average age than men.

This report groups the 1976 beneficiaries of home health services by "white" and "all other races." Whites outnumbered all other races by 9 to 1 in the use of home health services in 1976, about the same race ratio enrolled in the Medicare program. Therefore, services appear to be equitably distributed by race.

### Use by Type of Service

Nursing care is the primary service provided by HHAs under Medicare. Table 6 indicates that in 1976 approximately 565,000 beneficiaries, 96 percent of those served, received nursing care. Home health aide services ranked second with 180,000 persons served, while physical therapy services were provided to one patient in five. Over 13.3 million visits were recorded for 1976; of these, about 7.9 million, or 59 percent, were for nursing care. An additional 3.8 million visits, or 28 percent, were recorded for home health aide services. When home health aide services were used, they tended to be used intensively, almost 21 visits per person served.

Table 7 which integrates the data from this report and previous reports on home health services,[4] shows that the distribution of services by type of visits has been changing since 1974. Although the number of nursing visits increased between 1974 and 1976, it decreased as a percentage of total visits from 65 percent to 59 percent. During the same period, home health aide visits increased from 23 percent to 28 percent of all visits. The distribution of charges moved in tandem with the distribution of visits. During the 1974-76 period, charges for nursing visits decreased from about 66 percent of all visit charges to 61 percent while, at the same time, the charges for home health aide visits increased from about 21 percent of all visit charges to almost 25 percent. During this period, persons using home health aide services, as a percent of all persons served, increased from 24 percent in 1974 [5] to 31 percent in 1976.

This shift in the distribution of services and charges and persons using home health aide services may be due to the change in the mix of home health agencies certified under the program. This is discussed in Chapter III, Utilization by Type of Agency.

### Use by Type of Medicare Coverage

Approximately 11 percent of the persons served received home health services under both HI and SMI, averaging more than 57 visits per person. More than 62 percent of the persons served, however, received benefits solely under the HI program. The number of persons served by type of coverage is shown in the following table.

| Type of Coverage | Persons Served | |
|---|---|---|
| | Percentage Distribution | Average Number of Visits |
| Total | 100.0 | 22.7 |
| HI and SMI | 10.8 | 57.2 |
| HI only | 62.4 | 18.7 |
| SMI only | 26.8 | 17.9 |

[4] Wayne Callahan, *Medicare: Utilization of Home Health Services, 1974;* HI-79; Office of Research and Statistics, Social Security Administration; Nov. 2, 1977, and *Medicare: Utilization of Home Health Services, 1975,* RS-2, Office of Research, Demonstrations, and Statistics; Health Care Financing Administration.

[5] Ibid.

**Table 5**
**Number and Percentage Distribution of Persons Served, Visits, and Amount of Charges by Selected Demographic Characteristics, 1976**
**(Numbers and Amounts in thousands)**

| Demographic Characteristics | Enrollees | Persons Served | | Visits | Visit Charges | Total Charges | Total Reimbursement |
|---|---|---|---|---|---|---|---|
| | | Number | Per 1,000 Enrollees | | | | |
| Total | 25,663 | 588.7 | 22.9 | 13,335 | $292,697 | $312,325 | $289,851 |
| Age | | | | | | | |
| Under 65 | 2,392 | 42.7 | 17.8 | 1,087 | 23,904 | 25,721 | 23,882 |
| 65-66 | 3,284 | 31.8 | 9.7 | 686 | 15,526 | 16,611 | 15,424 |
| 67-68 | 3,123 | 38.5 | 12.3 | 846 | 18,957 | 20,300 | 18,904 |
| 69-70 | 2,819 | 42.6 | 15.1 | 953 | 21,534 | 22,951 | 21,377 |
| 71-72 | 2,538 | 46.8 | 18.5 | 1,050 | 23,603 | 25,020 | 23,269 |
| 73-74 | 2,251 | 48.6 | 21.6 | 1,096 | 24,345 | 25,984 | 24,144 |
| 75-79 | 4,381 | 127.3 | 29.1 | 2,869 | 63,293 | 67,258 | 62,426 |
| 80-84 | 2,906 | 115.3 | 39.7 | 2,567 | 55,407 | 58,948 | 54,753 |
| 85 and over | 1,969 | 95.0 | 48.2 | 2,183 | 46,128 | 49,531 | 45,672 |
| Sex | | | | | | | |
| Male | 10,946 | 213.8 | 19.5 | 4,717 | 104,869 | 113,621 | 105,353 |
| Female | 14,727 | 374.9 | 25.5 | 8,618 | 187,828 | 198,703 | 184,498 |
| Race: | | | | | | | |
| White | 22,625 | 528.0 | 23.3 | 11,883 | 258,269 | 275,261 | 256,094 |
| All other races | 3,038 | 60.7 | 20.0 | 1,452 | 34,428 | 37,063 | 33,758 |
| Medicare Status | | | | | | | |
| Aged | 23,271 | 546.0 | 23.5 | 12,248 | 268,793 | 286,604 | 265,969 |
| Disabled | 2,392 | 42.7 | 17.8 | 1,087 | 23,904 | 25,721 | 23,882 |
| | | **Percentage Distribution** | | | | | |
| Total | 100.0 | 100.0 | | 100.0 | 100.0 | 100.0 | 100.0 |
| Age | | | | | | | |
| Under 65 | 9.3 | 7.3 | | 8.2 | 8.2 | 8.2 | 8.2 |
| 65-66 | 12.8 | 5.4 | | 5.1 | 5.3 | 5.3 | 5.3 |
| 67-68 | 12.2 | 6.5 | | 6.3 | 6.5 | 6.5 | 6.5 |
| 69-70 | 11.0 | 7.2 | | 7.1 | 7.4 | 7.3 | 7.4 |
| 71-72 | 9.9 | 7.9 | | 7.9 | 8.1 | 8.0 | 8.0 |
| 73-74 | 8.8 | 8.3 | | 8.2 | 8.3 | 8.3 | 8.3 |
| 75-79 | 17.1 | 21.6 | | 21.5 | 21.6 | 21.5 | 21.5 |
| 80-84 | 11.3 | 19.6 | | 19.3 | 18.9 | 18.9 | 18.9 |
| 85 and over | 7.7 | 16.1 | | 16.4 | 15.8 | 15.9 | 15.8 |
| Sex | | | | | | | |
| Male | 42.7 | 36.3 | | 35.4 | 35.8 | 36.4 | 36.3 |
| Female | 57.4 | 63.7 | | 64.6 | 64.2 | 63.6 | 63.7 |
| Race: | | | | | | | |
| White | 88.2 | 89.7 | | 89.1 | 88.2 | 88.1 | 88.4 |
| All other races | 11.8 | 10.3 | | 10.9 | 11.8 | 11.9 | 11.6 |
| Medicare Status | | | | | | | |
| Aged | 90.7 | 92.7 | | 91.8 | 91.8 | 91.8 | 91.8 |
| Disabled | 9.3 | 7.3 | | 8.2 | 8.2 | 8.2 | 8.2 |

**Table 6**
**Number of Persons Served, Number of Visits, and Amount of Charges, by Type of Visit and Type of Agency, 1976**

| Utilization and Type of Visit | All Agencies | Visiting Nurse Association | Combined Government and Voluntary | Government | Hospital Based | Proprietary | Private Nonprofit | Other[1] |
|---|---|---|---|---|---|---|---|---|
| Persons Served[2] | | | | | | | | |
| Total (in thousands) | 588.7 | 245.8 | 18.7 | 124.0 | 63.3 | 24.5 | 103.6 | 8.8 |
| Nursing care | 564.5 | 238.4 | 18.2 | 119.2 | 60.6 | 22.9 | 97.0 | 8.3 |
| Home Health aide | 180.2 | 65.0 | 4.0 | 31.6 | 14.6 | 13.0 | 50.2 | 1.7 |
| Physical therapy | 126.0 | 47.5 | 2.9 | 20.7 | 17.5 | 5.8 | 29.9 | 1.8 |
| Other[3] | 67.0 | 23.4 | 0.9 | 6.7 | 10.8 | 5.3 | 19.1 | 0.9 |
| Visits | | | | | | | | |
| Total (in thousands) | 13,335 | 4,901 | 317 | 2,556 | 1,318 | 724 | 3,285 | 233 |
| Nursing care | 7,878 | 3,073 | 204 | 1,585 | 811 | 322 | 1,721 | 162 |
| Home health aide | 3,771 | 1,278 | 77 | 710 | 272 | 296 | 1,101 | 37 |
| Physical therapy | 1,281 | 415 | 26 | 208 | 175 | 80 | 353 | 24 |
| Other | 405 | 135 | 9 | 53 | 61 | 26 | 111 | 10 |
| Visit Charges | | | | | | | | |
| Total (in thousands) | $292,697 | $93,925 | $7,140 | $47,500 | $35,229 | $18,461 | $85,376 | $5,066 |
| Nursing care | 177,820 | 61,259 | 5,146 | 31,986 | 21,291 | 8,797 | 45,771 | 3,570 |
| Home health aide | 72,127 | 20,885 | 1,220 | 10,304 | 7,125 | 6,516 | 25,462 | 615 |
| Physical therapy | 31,708 | 8,422 | 578 | 4,098 | 4,947 | 2,349 | 10,691 | 623 |
| Other | 11,042 | 3,359 | 197 | 1,112 | 1,865 | 800 | 3,452 | 258 |
| Average Number of Visits Per Persons Served | | | | | | | | |
| Total | 22.7 | 19.9 | 16.9 | 20.6 | 20.8 | 29.6 | 31.7 | 26.4 |
| Nursing care | 14.0 | 12.9 | 11.3 | 13.3 | 13.4 | 14.1 | 17.7 | 19.6 |
| Home health aide | 20.9 | 19.7 | 19.3 | 22.4 | 18.6 | 22.7 | 21.9 | 21.7 |
| Physical therapy | 10.2 | 8.7 | 8.9 | 10.1 | 10.0 | 13.8 | 11.8 | 13.7 |
| Other | 6.0 | 5.8 | 10.9 | 7.9 | 5.7 | 4.3 | 5.8 | 11.0 |
| Average Visit Charges Per Person Served | | | | | | | | |
| Total | $497 | $382 | $381 | $383 | $556 | $754 | $824 | $574 |
| Nursing care | 315 | 257 | 284 | 268 | 351 | 384 | 472 | 432 |
| Home health aide | 400 | 321 | 306 | 326 | 487 | 500 | 508 | 359 |
| Physical therapy | 252 | 177 | 199 | 198 | 283 | 405 | 358 | 355 |
| Other | 165 | 144 | 230 | 166 | 173 | 150 | 181 | 275 |
| Average Charge Per Visit | | | | | | | | |
| Total | $22 | $19 | $23 | $19 | $27 | $26 | $26 | $22 |
| Nursing care | 23 | 20 | 25 | 20 | 26 | 27 | 27 | 22 |
| Home health aide | 19 | 16 | 16 | 15 | 26 | 22 | 23 | 17 |
| Physical therapy | 25 | 20 | 22 | 20 | 28 | 29 | 30 | 26 |
| Other | 27 | 25 | 21 | 21 | 31 | 31 | 31 | 25 |

[1] Includes rehabilitation and skilled nursing facility-based agencies.
[2] Detail does not add to total since persons may receive more than one type of service.
[3] Includes speech or occupational therapy, medical social services and other health disciplines.

**Table 7**
**Number of Visits and Amount of Charges by Type of Visit, 1974-1976**

| | Visits | | | | | Visit Charges | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total | Nursing Care | Home Health Aide | Pyysical Therapy | Other[1] | Total | Nursing Care | Home Health Care | Physical Therapy | Other[1] |
| 1974 | 8,070 | 5,217 | 1,888 | 784 | 181 | $137,406 | $ 89,989 | $28,187 | $15,439 | $ 3,790 |
| 1975 | 10,805 | 6,647 | 2,840 | 1,037 | 281 | 211,944 | 133,200 | 48,230 | 23,530 | 6,984 |
| 1976 | 13,335 | 7,878 | 3,771 | 1,281 | 405 | 292,697 | 177,820 | 72,127 | 31,708 | 11,042 |
| | **Percentage Distribution** | | | | | | | | | |
| 1974 | 100.0 | 64.6 | 23.4 | 9.7 | 2.2 | 100.0 | 65.5 | 20.5 | 11.2 | 2.8 |
| 1975 | 100.0 | 61.5 | 26.3 | 9.6 | 2.6 | 100.0 | 62.8 | 22.8 | 11.1 | 3.3 |
| 1976 | 100.0 | 59.1 | 28.3 | 9.6 | 3.0 | 100.0 | 60.8 | 24.6 | 10.8 | 3.7 |

[1] Includes speech or occupational therapy, medical social services, and other health disciplines.

If a person is eligible for services under HI and SMI, the services are charged under HI. However, if the 100 visits allowed in a benefit period under HI are exhausted, benefits under SMI may be used. Approximately 2,600 beneficiaries using HHA services, or 0.4 percent of those served, exhausted the 100 visits allowed under SMI.

## Use By Type of Agency

This Chapter presents data on the types of home health agencies, the growth of private non-profit agencies, and the distribution of services by agency type.

### Types of Home Health Agencies

Home health agencies certified to provide services to Medicare beneficiaries include public, proprietary, and private non-profit agencies such as visiting nurse associations, subdivisions of State or local health departments, combinations of visiting nurse associations and local health departments, and home health care divisions of hospitals or other health care institutions primarily engaged in providing skilled nursing and other therapeutic services in the home. Private organizations which do not qualify as non-profit groups, exempt from Federal income taxation under Section 501 of the Internal Revenue Code of 1954, must be licensed under State law to be considered for certification as home health agencies under Medicare.

### Private Non-Profit Agencies

Private non-profit agencies showed the largest relative and absolute increases in use between 1975 and 1976. This is partly due to the increase in the number of these agencies which were certified for participation in Medicare during this period—from 225 in 1975 to 298 in 1976.

Data were not tabulated separately for private non-profit agencies in 1974, but the increase in the number of persons served by these agencies and the visit charges exceeded 100 percent between 1975 and 1976, while the number of visits made by these agencies increased 98.4 percent. During 1976, bills were submitted for reimbursement by 277 private nonprofit agencies. There were no significant changes in the number of other certified agencies during the same period.

Changes in services provided and changes made by private non-profit and other types of agencies are shown in the following table: [6]

| Use and Type of Agency | 1975 | 1976 | Percent Increase |
|---|---|---|---|
| | (In Thousands) | | |
| Persons Served | | | |
| All agencies | 499.6 | 588.7 | 17.8 |
| Private non-profit | 50.5 | 103.6 | 105.1 |
| All others | 449.1 | 485.1 | 8.0 |
| Visits | | | |
| All agencies | 10,805 | 13,335 | 23.4 |
| Private non-profit | 1,656 | 3,285 | 98.4 |
| All others | 9,149 | 10,050 | 9.8 |
| Visit Charges | | | |
| All agencies | $211,944 | $292,697 | 38.1 |
| Private non-profit | 39,682 | 85,376 | 115.2 |
| All others | 172,262 | 207,321 | 20.4 |

[6] For detailed data on 1975 utilization, see Wayne Callahan, ibid.

### Distribution of Services and Charges by Type of Agency

Visiting nurse associations (VNAs) furnished more home health services than any other type of agency, having provided 4.9 million visists to 245,800 Medicare beneficiaries during 1976. On a per-person-served basis, however, VNAs ranked below the national averages in all measures of utilization and charges. In contrast, proprietary and private non-profit agencies accounted for only approximately 22 percent of the persons served, but they provided 30 percent of the total visits and submitted bills for 35 percent of total charges for visits among all types of agencies. These agencies had the highest average number of visits and average visit charges per person served, well above the national averages. The distribution of visits per person served by selected percentiles is presented by type of agency in Table 8. Because a large number of persons served received relatively few visits, the average number of visits per person, 22.7, is much larger than the median (50th percentile) number of visits per person, 11.6. That is, half of the persons served, 294,000, received 11.6 or fewer visits. Further, 90 percent of the persons served received 56.0 or fewer visits. By type of agency, proprietary, and private non-profit agencies ranked considerably higher in number of visits per person than all other agencies for each of the percentiles shown.

Table 9 shows that the proprietary and private non-profit agencies differed significantly from the other types of agencies in the mix of visits provided. Nursing visits constituted over 60 percent of the visits furnished by home health agencies other than the proprietry or private non-profit agencies while, for the latter, nursing visits constituted only about half or less of the visits furnished. On the other hand, home health aide visits constituted upward of a third of the visits furnished by proprietary and private non-profit agencies while for the others they constituted about a quarter of the visits. The distribution of the charges by type of service parallels the distribution of visits. Charges derived from home health aide visits constituted a significantly greater source of revenues for the proprietary and private non-profit agencies than for the others. Given the greater rate of increase in the number of these agencies, their impact on the change in the mix of services provided to beneficiaries between 1974 and 1976 (noted in Chapter II) becomes manifest.

The distribution of agencies having submitted bills for home health services by type and geographic division is shown in Table 10. Nationally, 50 percent of the agencies were administered by State or local health departments, while visiting nurse associations represented an additional 20 percent of the total.

There were geographic differences by type of agency. VNAs accounted for two-thirds of all home health agencies in New England, as compared to only 1 percent in the East South Central States. In contrast, 78 percent of the agencies in the East South Central States were administered by State or local governments, compared to 19 percent in New England. Private non-profit agencies were concentrated in the South, with 64 percent of them located in the three southern divisions. Also, two-thirds of the agencies located outside of the United States were classified as private non-profit. Proprietary home health agencies must be licensed by the State in order to participate under Medicare, and 13 States had licensure laws in 1976. Two-thirds of the proprietary agencies were located in California and Louisiana.

**Table 8**
**Number of Persons Served, Number of Visits, and Selected Percentiles, by Type of Agency, 1976**
**(In thousands)**

| Type of Agency | Persons Served | Visits | Visits per Person | Percentiles (visits) | | | |
|---|---|---|---|---|---|---|---|
| | | | | 50th | 60th | 75th | 90th |
| All Agencies | 588.7 | 13,335 | 22.7 | 11.6 | 16.1 | 27.5 | 56.0 |
| Visiting Nurse Association | 245.8 | 4,901 | 19.9 | 9.7 | 13.5 | 23.4 | 49.5 |
| Combined Government and Voluntary | 18.7 | 317 | 16.9 | 7.6 | 10.7 | 18.4 | 42.4 |
| Government | 124.0 | 2,556 | 20.6 | 10.4 | 14.2 | 24.6 | 50.8 |
| Hospital Based | 63.3 | 1,318 | 20.8 | 11.7 | 15.8 | 25.7 | 49.2 |
| Proprietary | 24.5 | 724 | 29.6 | 16.9 | 23.4 | 38.2 | 72.0 |
| Private Nonprofit | 103.6 | 3,285 | 31.7 | 19.3 | 25.8 | 41.7 | 76.4 |
| Other | 8.8 | 233 | 26.4 | 14.2 | 20.3 | 34.7 | 68.0 |

**Table 9**
**Percentage Distribution of Visits and Charges by Type of Agency, 1976**

| Type of Agency | Type of Visits | | | | | Visit Charges | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total | Nursing | Home Health Aide | Physical Therapy | Other | Total | Nursing | Home Health Aide | Physical Therapy | Other |
| All Agencies | 100.0 | 59.1 | 28.3 | 9.6 | 3.0 | 100.0 | 60.8 | 24.6 | 10.8 | 3.7 |
| VNA's | 100.0 | 62.7 | 26.1 | 8.4 | 2.8 | 100.0 | 65.2 | 22.2 | 9.0 | 3.6 |
| Combined Government and Voluntary | 100.0 | 64.4 | 24.4 | 8.2 | 2.8 | 100.0 | 72.1 | 17.1 | 8.1 | 2.8 |
| Government | 100.0 | 62.0 | 27.8 | 8.1 | 2.1 | 100.0 | 67.3 | 21.7 | 8.6 | 2.3 |
| Hospital Based | 100.0 | 61.5 | 20.6 | 13.3 | 4.6 | 100.0 | 60.4 | 20.2 | 14.0 | 5.3 |
| Proprietary | 100.0 | 44.5 | 40.9 | 11.0 | 3.6 | 100.0 | 47.7 | 35.3 | 12.7 | 4.3 |
| Private Nonprofit | 100.0 | 52.4 | 33.5 | 10.7 | 3.4 | 100.0 | 53.6 | 29.8 | 12.5 | 4.0 |

**Table 10**
**Number and Percentage Distribution of Home Health Agencies That Submitted Bills for Home Health Services, by Type of Agency and Geographic Division, 1976**

| Division | All Agencies | Visiting Nurse Association | Combined Government and Voluntary | Government | Hospital Based | Proprietary | Private Nonprofit | Other |
|---|---|---|---|---|---|---|---|---|
| Total | 2,451 | 498 | 44 | 1,218 | 274 | 91 | 277 | 49 |
| New England | 328 | 218 | 5 | 63 | 24 | 0 | 14 | 4 |
| Middle Atlantic | 275 | 94 | 5 | 81 | 80 | 0 | 10 | 5 |
| East North Central | 375 | 82 | 11 | 197 | 35 | 7 | 32 | 11 |
| West North Central | 266 | 21 | 6 | 191 | 33 | 0 | 10 | 5 |
| South Atlantic | 309 | 25 | 6 | 155 | 21 | 8 | 88 | 6 |
| East South Central | 345 | 4 | 1 | 270 | 27 | 7 | 32 | 4 |
| West South Central | 271 | 13 | 4 | 158 | 9 | 26 | 56 | 5 |
| Mountain | 98 | 8 | 5 | 57 | 12 | 6 | 5 | 5 |
| Pacific | 163 | 32 | 1 | 44 | 30 | 36 | 16 | 4 |
| Other Areas [1] | 21 | 1 | 0 | 2 | 3 | 1 | 14 | 0 |
| **Percentage Distribution** | | | | | | | | |
| Total | 100.0 | 20.3 | 1.8 | 49.7 | 11.2 | 3.7 | 11.3 | 2.0 |
| New England | 100.0 | 66.5 | 1.5 | 19.2 | 7.3 | — | 4.3 | 1.2 |
| Middle Atlantic | 100.0 | 34.2 | 1.8 | 29.5 | 29.1 | — | 3.6 | 1.8 |
| East North Central | 100.0 | 21.9 | 2.9 | 52.5 | 9.3 | — | 8.5 | 2.9 |
| West North Central | 100.0 | 7.9 | 2.3 | 71.8 | 12.4 | — | 3.8 | 1.9 |
| South Atlantic | 100.0 | 8.1 | 1.9 | 50.2 | 6.8 | 2.6 | 28.5 | 1.9 |
| East South Central | 100.0 | 1.2 | .3 | 78.3 | 7.8 | 2.0 | 9.3 | 1.2 |
| West South Central | 100.0 | 4.8 | 1.5 | 58.3 | 3.3 | 9.6 | 20.7 | 1.8 |
| Mountain | 100.0 | 8.2 | 5.1 | 58.2 | 12.2 | 6.1 | 5.1 | 5.1 |
| Pacific | 100.0 | 19.6 | .6 | 27.0 | 18.4 | 22.1 | 9.8 | 2.5 |
| Other Areas | 100.0 | 4.8 | — | 9.5 | 14.3 | 4.8 | 66.7 | — |

[1] Includes Puerto Rico, Virgin Islands, and Guam.

## Conclusions

Home health services under Medicare have been increasing significantly since the Social Security Amendments of 1972 liberalized the home health provisions. This growth trend appears to be continuing, based on preliminary tabulations of bill information received and processed for services in 1977. The basic service of HHAs is a home visit. The number of visits increased by 65 percent between 1974 and 1976 (8.1 million visits and 13.3 million visits, respectively). The main reason for this increase was a sharp rise in the number of persons receiving visits, 392.7 thousand in 1974 to 588.7 thousand in 1976. Preliminary tabulations for 1977 show that an estimated 690 thousand persons received over 15.5 million visits in 1977.

The type as well as the volume of visits is changing. Nursing visits as a percent of total visits decreased from 65 percent in 1974 to 59 percent in 1976. Over the same period, home health aide visits as a percent of total visits increased from 23 percent to 28 percent. This increase in home health aide visits is primarily due to the rapid growth of proprietary and private nonprofit agencies which furnish this type of visit in greater proportion than other types of agencies. Persons using home health aide services as a percent of total persons served increased from 24 percent in 1974 to 31 percent in 1976. Over the same period, the relative number of persons using nursing services remained the same—96 percent.

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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
SOCIAL SECURITY ADMINISTRATION

# HOME HEALTH AGENCY REPORT AND BILLING
## HOSPITAL AND MEDICAL INSURANCE BENEFITS—SOCIAL SECURITY ACT

Form Approved
Budget Bureau No.
No. 72 - R736

NOTICE: Anyone who misrepresents or falsifies essential information requested by this form may upon conviction be subject to fine and imprisonment under Federal law.

| 1. PATIENT'S LAST NAME | FIRST NAME | MI | 2. HEALTH INSURANCE CLAIM NUMBER |
|---|---|---|---|
| | | | |

| 3. PATIENT'S ADDRESS *(Street number, City, State, Zip Code)* | 4. DATE OF BIRTH | 5. SEX |
|---|---|---|
| | __ __ \| __ __ \| __ __ | ☐ M ☐ F |

| 6. HOME HEALTH AGENCY NAME AND ADDRESS | 7. PROVIDER NO. | 9. NAME AND ADDRESS OF ATTENDING PHYSICIAN |
|---|---|---|
| | 8. MEDICAL RECORD NO. | |

| 10. DATE CARE STARTED | 11. NAME AND ADDRESS OF INSTITUTION, IF ANY, CARING FOR CONDITION LATER REQUIRING HOME HEALTH SERVICES | 12. VERIFIED DATES OF STAY IN ITEM 11 FROM / TO | 13. DATE HOME HEALTH PLAN ESTABLISHED |
|---|---|---|---|
| __ __ \| __ __ \| __ __ | | __ __ \| __ __ \| __ __ / __ __ \| __ __ \| __ __ | __ __ \| __ __ |

14. PAYMENT SOURCE FOR CHARGES TO PATIENT

A. ☐ SELF OR FAMILY  C. ☐ BLUE CROSS BLUE SHIELD  E. ☐ PUBLIC AGENCY *(Give name)*

B. ☐ PRIVATE INSURANCE  D. ☐ EMPLOYER OR UNION  F. ☐ OTHER *(Explain)*

15. PATIENT'S CERTIFICATION: AUTHORIZATION TO RELEASE INFORMATION AND PAYMENT REQUEST: I certify that the information given by me in applying for payment under Title XVIII of the Social Security Act is correct. I authorize release of all records required to act on this request. I request that payment of authorized benefits be made in my behalf.

| SIGNATURE *(Patient or authorized representative) (Signature by mark must be witnessed)* | DATE |
|---|---|
| | |

| 16. DIAGNOSES | EMPLOYMENT RELATED | | |
|---|---|---|---|
| | A. ☐ YES B. ☐ NO | *(If yes, give name and address of employer.)* | LEAVE BLANK |

| 17. STATEMENT COVERS PERIOD FROM | TO | 18. DATE OF FIRST VISIT | DATE OF LAST VISIT | 19. PATIENT | 20. DATE APPLICABLE TO ITEM 19 |
|---|---|---|---|---|---|
| __ __ \| __ __ \| __ __ | __ __ \| __ __ \| __ __ | __ __ \| __ __ \| __ __ | __ __ \| __ __ \| __ __ | ☐ DISCHARGED ☐ STILL RECEIVES SERVICES ☐ DIED ☐ VISITS EXHAUSTED | __ __ \| __ __ \| __ __ |

| 21. STATEMENT OF SERVICES RENDERED | POST - HOSPITAL PLAN | | MEDICAL PLAN | | 22. POST - HOSPITAL PLAN | 23. MEDICAL PLAN |
|---|---|---|---|---|---|---|
| PRIMARY PURPOSE OF VISIT | NO. VISITS | CHARGES | NO. VISITS | CHARGES | A. TOTAL CHARGES | A. VERIFIED DEDUCTIBLE |
| A. Skilled Nursing Care | | $ | | $ | | |
| B. Physical Therapy | | | | | B. REIMBURSEMENT RATE | B. VERIFIED COINSURANCE |
| C. Speech Therapy | | | | | | |
| D. Occupational Therapy | | | | | | |
| E. Medical Social Services | | | | | C. REIMBURSEMENT AMT. A TIMES B | C. TOTAL CHARGES |
| F. Home Health Aide | | | | | | |
| G. Other Visits *(Specify)* | | | | | | D. REIMBURSEMENT RATE |
| | | | | | | |
| H. Total No. of Units of Service | | | | | | |
| I. Charge per unit of Service $ | | | | | | E. C TIMES D |
| | | | | | | |
| J. TOTALS | | $ | | $ | | F. E LESS A |
| K. Other *(Specify)* | | | | | | G. REIMBURSEMENT AMT. 80% OF F |
| | | | | | | |
| | | | | | | H. REFUND TO PATIENT |
| L. TOTAL CHARGES | | $ | | $ | | |
| M. AMOUNT PAID BY PATIENT | | | | $ | | I. NET AMOUNT TO AGENCY, G LESS H |

I certify that required physician's certification and recertifications are on file.

| SIGNATURE OF HOME HEALTH AGENCY REPRESENTATIVE | DATE FORWARDED | APPROVED BY | DATE APPROVED |
|---|---|---|---|
| | __ __ \| __ __ \| __ __ | | __ __ \| __ __ \| __ __ |

## Appendix B
## Sources and Limitations of Data

Data in this report were obtained from billing forms submitted by home health agencies for Medicare beneficiaries receiving reimbursable services. Data shown are estimates based on a 40 percent sample of the enrolled population and hence are subject to sampling variability. [7]

Data presented in this report for 1976 are based on bills submitted and recorded in SSA through December 1977. The sample counts for 1976 have been inflated to give an estimate of the utilization of home health services as of that date. The file is incomplete to the extent that approximately 2 percent of the bills for 1976 had not been submitted for payment as of December 1977.

Only payments for covered services provided to beneficiaries are reflected in the amounts reimbursed; costs of program administration, deductible, and noncovered services are excluded.

Payments for home health services shown in this report are based on interim rates that are adjusted after the end of the accounting year on the basis of reasonable costs of operation.

Information from the billing forms is matched to SSA's beneficiary enrollment file and to a master provider file which describes the characteristics of each agency.

## Appendix C

The tables in Appendix C show approximate standard errors for some of the more important estimates presented in this report. The standard error is primarily a measure of sampling variability, that is, of the variation that occurs by chance, because a sample rather than the whole population is used. In order to calculate the standard errors at a reasonable cost, approximate methods were used. Thus, these tables should be used only as indicators of the order of magnitude of the standard errors for specific estimates.

In general, estimates of small totals, small percentages or means, and percentages or means with small bases or for small subgroups tend to be relatively unreliable. However, because of the large sample used for estimates in this report, very few estimates are likely to have relative standard errors greater than 10 percent.

**Table C.1**
**Approximate Standard Error of Number of Persons Served**

| Estimated Number of Persons Served | Standard Error of Estimate |
|---|---|
| 1,000 | 40 |
| 10,000 | 130 |
| 50,000 | 290 |
| 100,000 | 400 |
| 200,000 | 570 |
| 400,000 | 800 |

[7] The reliability of estimates was prepared by James Beebe, Statistical and Research Services Branch, Division of Economic Analysis, Office of Research.

**Table C.2**
**Approximate Standard Error of Number of Visits**

| Estimated Number of Visits | Standard Error of Estimate |
|---|---|
| 5,000 | 890 |
| 10,000 | 1,300 |
| 50,000 | 3,000 |
| 100,000 | 4,300 |
| 500,000 | 10,000 |
| 1,000,000 | 15,000 |
| 4,000,000 | 31,000 |
| 8,000,000 | 38,000 |

**Table C.3**
**Approximate Standard Error of Amount of Total Charges, Visit Charges, or Reimbursement**

| Estimate of Charges | Standard Error of Estimate |
|---|---|
| $ 50,000 | $ 10,000 |
| 100,000 | 14,000 |
| 500,000 | 35,000 |
| 1,000,000 | 53,000 |
| 10,000,000 | 220,000 |
| 30,000,000 | 470,000 |
| 100,000,000 | 710,000 |
| 150,000,000 | 720,000 |

# Health Care Financing Program Statistics

**U.S. Department of Health, Education, and Welfare**
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**Health Care Financing Administration**
*Leonard D. Schaeffer,* **Administrator**

**Office of Research, Demonstrations, and Statistics**
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